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*The Senate of  
The State of Texas*

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PUBLIC UTILITY COMMISSION  
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**DAN PATRICK**  
LIEUTENANT GOVERNOR

CAPITOL OFFICE  
State Capitol, Room 2E 13  
Post Office Box 12068  
Austin, Texas 78711  
(512) 463-0001  
Fax (512) 463-8668

March 8, 2021

Mr. Arthur C. D'Andrea  
Chairman  
Public Utility Commission of Texas  
Post Office Box 13326  
Austin, Texas 78711-3326

Dear Mr. D'Andrea:

I am writing to ask you to follow the recommendations made by the Independent Marketing Monitor (IMM) in their March 4, 2021, letter to you and immediately correct the \$16 billion dollar pricing error that occurred during the storm, as well as the pricing errors on ancillary services.

I'm aware that during the height of the storm, the Public Utility Commission (PUC) ordered, through February 17th, that ERCOT institute a \$9,000 per megawatt hour cost cap to encourage increased power generation during the extreme shortage. However, I have since learned from the IMM that ERCOT incorrectly extended that pricing intervention after the PUC order expired and the power shortage had ended. The \$9,000 price should have ended at 11:55 PM on February 17. Instead, it continued throughout the entire day of February 18th into February 19th – 32 hours total – which resulted in an additional \$16 billion in charges.

According to the IMM, they contacted ERCOT on Thursday, February 18th, to inform them that their pricing was incorrect, but ERCOT ignored their recommendation.

The IMM also identified a second significant error that also must be corrected immediately. ERCOT failed to cap ancillary service prices at \$9,000, which resulted in prices rising as high as \$24,000 a megawatt hour at intervals during the storm. Pricing should never have exceeded the \$9,000 cap at any time.

The IMM has recommended that the PUC exercise their authority to direct ERCOT to correct both these pricing errors. According to the ERCOT Nodal Protocol Section 6.3 (6) (a), ERCOT has 30 days from the event to correct errors in pricing.

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Now is the time to act and I ask you to do so immediately. Correcting this \$16 billion error will require an adjustment, but it is the right thing to do. It will ultimately benefit consumers and is one important step we can take now to begin to fix what went wrong in the storm.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Patrick". The signature is fluid and cursive, with the first name "Dan" and last name "Patrick" clearly distinguishable.

Dan Patrick  
Lieutenant Governor

cc: Electric Reliability Council of Texas (ERCOT)  
Governor Greg Abbott  
Speaker Dade Phelan  
Senate Committee on Business & Commerce